GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:4233
ANSWERED ON:21.04.2005
FDI IN DEFENCE SECTOR
Reddy Shri Suravaram Sudhakar

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government had allowed 26% FDI in defence equipment manufacturing sector during 2002;

(b) if so, the number of letters of intent issued for the production of equipments; and

(c) the number out of these have been commissioned so far?

Answer

MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI BIJOY KRISHNA HANDIQUE)

(a) Yes, Sir.

(b) & (c): No letter of Intent has so far been issued for production of defence equipments under FDI. However, 22 Letters of Intent/Industrial Licences have been issued so far to private entrepreneurs for manufacture of various defence items. None of them have, however, commenced production as yet.